

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 3148 - SB 3124**

February 15, 2010

**SUMMARY OF BILL:** Requires local education agencies (LEAs) to document student withdrawals and transfers to another school, system, or state through the best possible means and where possible, a permanent record detailing the transfer be kept. Prohibits the Department of Education from requiring LEAs to obtain formal written proof that a student who has moved to another state has enrolled in a school or program that will lead to a high school degree.

Requires students that pass the general equivalency development test (GED) be counted as high school graduates for the purposes of calculating graduation rates; however, GED students shall not be counted for the purposes excluded by federal law.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – Not Significant**

**Increase Local Expenditures – Not Significant**

**Assumptions:**

- Federal regulation requires local education agencies to obtain written documentation that a student has transferred to another school or program that offers a high school diploma.
- Federal regulation also prohibits states from including students who obtain GEDs in the regular graduation count. For this reason, GED students will not be included in the official graduation rate that the state uses for federal No Child Left Behind accountability measures and reports.
- LEAs will continue to follow federal guidelines in relation to student transfers. Any increase in expenditures to keep records of such transfers is estimated to be not significant.
- The state will recalculate graduation rates to include GED students for non-federal government reports. Any increase in state expenditures to collect this information and recalculate graduation rates is estimated to be not significant.

- The state and LEAs continued compliance with federal law will not jeopardize any federal funding. According to DOE's 2009 Annual Statistical Report, the state received over \$874,000,000 in federal money in 2009.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

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